

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 02622 240942Z

15

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 NEA-10 IO-11 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 PA-01 PRS-01 /103 W

----- 103973

P 240719Z FEB 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 2399

LIMITED OFFICIAL USE MANILA 2622

USADB

PASS TREASURY FOR BUSHNELL/ZINMAN

E.O. 11652: ADS, DECLAS 12/31/76

TAGS: EAID, EFIN

SUBJECT: ADB RENTAL SUBSIDY SCHEME

REF: (A) TREASURY 75-167, (B) TREASURY 75-152,
(C) 75 MANILA 13481, (D) 75 MANILA 13260

1. ON SEPT. 18, 1975 ADB BOARD OF DIRECTORS APPROVED
RENTAL SUBSIDY SCHEME FOR PROFESSIONAL STAFF FOR PERIOD
OF ONE YEAR FROM OCT. 1, 1975 (PER REF. D). AT THAT
MEETING, PRESIDENT INOUE STATED THAT COMMITTEE ON REMUNERA-
TION OF DIRECTORS AND ALTERNATES WOULD BE INFORMED
OF INTRODUCTION OF RENTAL SUBSIDY SCHEME FOR PROFESSIONAL
STAFF AND COMMITTEE WOULD BE INVITED TO EXAMINE POSSIBLE
APPLICATION OF SCHEME TO MEMBERS OF BOARD.

2. IN OCTOBER 1975, CHAIRMAN OF BOARD OF GOVERNORS, ON
RECOMMENDATION OF PRESIDENT, APPOINTED COMMITTEE PURSUANT
TO SECTION C OF BOARD OF GOVERNORS RESOLUTION NO. 66

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 02622 240942Z

NOW SUBMITTED REPORT WITH TEXT OF DRAFT RESOLUTION FOR

CONSIDERATION BY BOARD OF GOVERNORS. ADB DOC. EX/SEC.M1-76
(POUCHED FEBRUARY 24) CONTAINS REPORT OF COMMITTEE ON
REMUNERATION WITH RECOMMENDATION TO BOARD OF GOVERNORS.
BOARD OF DIRECTORS WILL MEET IN EXECUTIVE SESSION
ON FEB. 26 TO CONSIDER APPROVING ADOPTION OF PROCEDURE
UNDER SECTION 3 OF BY-LAWS OF BANK FOR VOTING BY BOARD
OF GOVERNORS WITHOUT A MEETING ON PROPOSED RESOLUTION
SUBMITTED BY COMMITTEE WITH ITS REPORT.

3. COMMITTEE'S REPORT NOTES THAT WHEN IT UNDERTOOK REVIEW
OF REMUNERATION OF DIRECTORS AND ALTERNATES IN APRIL
1975, IT HAD GIVEN SERIOUS CONSIDERATION TO RECOMMENDING
A RENTAL SCHEME BROADLY ON LINES OF SCHEME RECENTLY
INTRODUCED FOR STAFF. COMMITTEE WAS ADVISED THAT
SUCH RECOMMENDATION WOULD REQUIRE AMENDMENT OF SECTION
7(B)(B) OF BY-LAWS, WHICH SPECIFICALLY PRECLUDES
PAYMENT OF HOUSING ALLOWANCES TO DIRECTORS/ALTERNATES.
AT THAT TIME, COMMITTEE CONCLUDED THAT AMENDMENT OF
BY-LAWS WOULD HAVE BEEN INAPPROPRIATE IN ABSENCE OF
SOME FORM OF RENTAL ASSISTANCE FOR STAFF. HOWEVER,
REPORT NOTES THAT COMMITTEE'S RECOMMENDATION OF \$4,000
PER ANNUM SALARY INCREASE (WHICH TOOK EFFECT FROM JUNE 1,
1975) GAVE SUBSTANTIAL RECOGNITION TO SERIOUSNESS OF
HOUSING AND RENTAL SITUATION.

4. REPORT ASSERTS THAT GRANT OF INTERIM SALARY ADJUST-
MENTS OR SPECIAL ALLOWANCES HAVE BEEN MADE TO EXECUTIVE
DIRECTORS/ALTERNATES OF QUOTE OTHER COMPARABLE INTER-
NATIONAL INSTITUTIONS UNQUOTE SO THAT REMUNERATION
OF ADB DIRECTORS/ALTERNATES NOW LAGS TOO FAR BEHIND
REMUNERATION (INCLUDING SPECIAL ALLOWANCES) OF THEIR
COUNTERPARTS IN THESE COMPARABLE INSTITUTIONS.
COMMITTEE CONCLUDED THAT INCREASE IN REMUNERATION OF
DIRECTORS/ALTERNATES ON COST OF LIVING OR OTHER RELEVANT
CONSIDERATIONS WOULD BE JUSTIFIED.

5. RECOGNIZING THAT LAST YEAR'S SALARY INCREASE FOR
DIRECTORS/ALTERNATES HAD BEEN GRANTED ON HOUSING CON-
SIDERATIONS, COMMITTEE NOW PROPOSES TO REGARD THAT
EARLIER \$4,000 PER ANNUM INCREASE AS INCREASE IN SALARY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 02622 240942Z

ON OTHER-THAN-HOUSING FACTORS, AND THAT NO FURTHER
INCREASE IN SALARY WOULD BE NECESSARY FOR PERIOD UNDER
REVIEW (I.E., JANUARY 1974-OCTOBER 1975). COMMITTEE
THEREFORE RECOMMENDS THAT STAFF RENTAL SUBSIDY SCHEME
BE APPLIED TO DIRECTORS/ALTERNATES TO TAKE CARE OF
REQUIREMENT OF SPECIAL HOUSING AND RENTAL SITUATION THAT
HAD DEVELOPED OVER PERIOD REVIEWED.

6. BEFORE PROPOSAL CAN BE SUBMITTED TO GOVERNORS FOR CONSIDERATION, QUESTION OF AMENDMENT OF SECTION 7(B)(B) OF BY-LAWS NEEDS TO BE ADDRESSED. SECTION AUTHORIZES DIRECTORS/ALTERNATES TO PARTICIPATE IN QUOTE SUCH INSURANCE, MEDICAL, PENSION, RETIREMENT AND OTHER PLANS AS MAY BE ESTABLISHED FOR THE STAFF OF THE BANK UNQUOTE. IN COMMITTEE'S VIEW, SINCE THIS PROVISION HAS CONSISTENTLY BEEN APPLIED IN PAST TO ALLOW DIRECTORS/ALTERNATES TO RECEIVE BENEFITS AND ALLOWANCES COMPARABLE TO THOSE OF STAFF MEMBERS UNDER SCHEMES ESTABLISHED BY BANK, APPLICATION TO THEM OF STAFF RENTAL SUBSIDY SCHEME WOULD NOW SEEM PERMISSIBLE. TO REMOVE OBSTACLE TO SUCH ACTION, COMMITTEE RECOMMENDS THAT BOARD OF GOVERNORS ADOPT RESOLUTION THAT WOULD DELETE WORD QUOTE HOUSING UNQUOTE FROM FIRST SENTENCE OF PARA. (B) OF SECTION 7, SUB-SECTION (B) OF BY-LAWS.

7. COMMITTEE HAS REQUESTED SECRETARY OF BANK TO ARRANGE FOR TRANSMITTAL OF REPORT AND RECOMMENDATION TO BOARD OF GOVERNORS IN ACCORDANCE WITH RESOLUTION NO. 66. AT FEBRUARY 26 MEETING OF BOARD OF DIRECTORS, U.S. ALTERNATE DIRECTOR PLANS TO INDICATE THAT HIS APPROVAL OF ADOPTION OF PROCEDURE UNDER SECTION 3 OF BY-LAWS OF BANK FOR VOTING BY BOARD OF GOVERNORS ON PROPOSED RESOLUTION WITHOUT A MEETING SHOULD IN NO WAY BE INTERPRETED AS SUPPORT FOR SUBJECT MATTER OF COMMITTEE'S REPORT. IF BOARD OF DIRECTORS CONCURS IN PROPOSED PROCEDURE, GOVERNORS' VOTES WILL BE REQUESTED BY CABLE ON OR BEFORE MIDNIGHT (MANILA TIME) OF MONDAY, MARCH 29.

8. FYI: BANK MANAGEMENT HAS ADVISED BOARD OF DIRECTORS OF RECENT APPOINTMENT OF HOUSING ASSISTANT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MANILA 02622 240942Z

IN PERSONNEL DIVISION OF ADMINISTRATION DEPARTMENT.
SULLIVAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, PERSONNEL COMPENSATION, RENTS, SUBSIDIES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANILA02622
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760068-0687
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760220/aaaaaqts.tel
Line Count: 156
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 07 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JUN 2004 by greeneet>; APPROVED <06 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ADB RENTAL SUBSIDY SCHEME
TAGS: EAID, EFIN, APER, ADB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006